COMMUNITY SERVICES & DEVELOPMENT

DOE ARRA PRODUCTION & EXPENDITURE UPDATE

DOE ARRA Production & Expenditure

- □ Today's Agenda
 - Director's Introductory Comments
 - Statewide DOE ARRA Update Thru May 2011
 - DOE ARRA Goals, Analysis, Outlook
 - DOE WAP Annual Grant Status
 - DOE ARRA & Annual Grant Plan of Action
 - Core Elements of Plan & Timeline
 - Questions / Discussion

Director's Introductory Comments

John A. Wagner

Production / Expenditures – As of May 2011:

•	Total	Units Re	ported	Comp	olete:	28,696
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Original Unit Production Goal: 43,150

Percent to Original Goal 67%

YTD Average Expenditure / Unit \$2,668

Projected Expenditure / Unit \$3,639

Difference \$971 / Unit

Goals / Focus:

- Full expenditure of the DOE ARRA grant by March 2012 is the goal.
- CSD staff is performing an agency-by-agency detailed program analysis with respect to YTD unit production, current and projected unit expenditure levels, optimum production levels and projected grant spend-out.

Analysis to Date:

 By CSD's estimation, the projected shortfall in average unit expenditure and projected dwelling targets, equates to approximately \$40M DOE ARRA dollars at risk of not being expended and reverting to the federal government at the end of the DOE ARRA grant period.

Maintaining current trends in unit cost average and production will not successfully spend-out the grant:

- What is Needed:
 - 37% increase to the projected unit goal of 43,150 (Increase to 58,955); or
 - 69% increase to the current average expenditure per unit of \$2668 (Increase to \$4,501/unit); or
 - A combination of the two.

DOE WAP Annual Grant

DOE WAP - Annual Funds 2009 - 2011

•	Total 2009/10 Annual Funds	\$16.4M
•	Total Expenditure to Date	\$9.7M
•	Percent Expended	59%
•	Remaining 2009/10 Regular Funds	\$6.7M
•	Additional 2011 Annual Funds	\$4.8M
•	Total to be Expended by $6/2012$	\$11.5M

Plan Moving Forward:

- CSD is developing a plan to maximize the expenditure of DOE ARRA and DOE Annual grant funds.
- This will likely involve reallocating funds to existing providers with both capacity and means to successfully expend both grants by March 2012 and June 2012, respectively.

Core Elements of Plan:

- Using information collected in the provider survey we will assess local agency capacity and strategy to fully expend grant funds;
- CSD will project expenditure shortfalls and evaluate each agency's ability to increase unit production and/or unit cost average to meet goals;
- Encourage honest assessment by agencies regarding their capacity to expend dollars;
- Encourage movement of at-risk funds to other service areas without harm (blame) to providers.

Key Factors – Determining Capacity:

- Identify major changes in program operations and possible large expenditures;
- Status of implementing new energy audit / priority list — assess the degree to which the new standards might increase unit expenditures;

Key Factors – Determining Capacity:

- Analyze agency's monthly production abilities (maximum possible output) and unit cost averages to re-shape goals and to identify at-risk funds. The goal is to move funds the agency is unable to spend while causing no harm to the agency's existing infrastructure / operations.
- Simultaneously, CSD will identify and evaluate agencies with additional capacity and facilitate a quick transfer of funds to these service areas.

Timeline:

- Beginning July 6, 2011, Field Representatives will engage agencies identified as "at-risk" to evaluate capacity and encourage the voluntary transfer of funds where necessary;
- Target date for transfer of funds: July 15th;
- Transfers require DOE approval, State Plan amendments and public hearing;
- Goal: Complete admin. process and issue contract amendments by August 1, 2011.

Questions / Discussion:

- Please raise your hand electronically on the "Go to Webinar" toolbar on your computer.
- We will recognize those with questions in turn.
- When you are called on to ask your question, un-mute your phone by pressing *6 and then re-mute your phone by pressing *6 again when you are done.
- Further questions after the webinar? Please contact Chuck Belk at <u>cbelk@csd.ca.gov</u> and I will direct your question to the appropriate person.
- Thank you for your participation.